



MILITARY SURFACE DEPLOYMENT AND DISTRIBUTION COMMAND



DOD Travel Charge Card Program Centrally Billed Accounts

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AGENDA



- **Program Update**
 - **CBA Statistics**
 - Delinquency Rate (60+ Days)
 - Timeliness Goal (Under 30 days)
- **GAO Audits**
 - **Premium Travel**
 - **Unused Tickets**
 - **Duplicate Payments**
- **Questions and Answers**



CBA Program Update



- Delinquency Rate (60+ Days old)
 - **Dec 01** **14.3%**
 - **Dec 02** **2.6%**
 - **Dec 03** **3.2%**
- Good Job!



CBA Program Update

- Timeliness Goal (Pay by day 30)
 - **\$170M - Owed Feb 04**
 - **\$15M (7.43%) - Still due after 30 days**
 - **\$3M (1.39%) - Still due after 60 days**
- Good Job!



CBA Program Update

- Rebates - Program Earnings

	DOD	Army
➤ Jan 02	\$517K	\$-227K
➤ Jan 03	\$1.2M	\$414K
➤ Jan 04	\$2.1M	\$699K

- Good Job!



GAO Audits



- **Announced - Oct 2002**
- **Objectives -**
 - **Evaluate Internal Controls over the CBA Program**
 - **Is Premium Travel being properly administered?**
 - **Are costs for unused tickets being refunded?**
 - **Are controls in place to detect duplicate payments?**
- **Two reports**
 - **Premium Travel Oct 2003**
 - **Unused Tickets Feb 2004**



GAO Audits Continued



- Findings: DOD CBA Program lacks internal controls



GAO Audit - Premium Travel



- **Objectives:**

- Identify the magnitude of premium travel
- Determine if key internal controls operate effectively
- Determine if DOD is monitoring

- **Findings:**

- \$124M spent on 68 premium class tickets in 01 & 02
- 72 % was not properly authorized
- 73% was not properly justified



GAO Audit - Premium Travel



- **Actions Taken:**
 - **Concurred with recommendations**
 - **Established a DOD Task Force**
 - **Task Force report to be rendered Mar 15, 2004**



GAO Audit - Premium Travel



- **Task Force Actions:** Made JTR/JFTR changes to address:
 - Requirement for premium travel authorization in orders...
 - Approval for medical or handicap conditions. Must be certified by medical authority and the certification must address the specific need for an upgrade
 - Business class requires 2-star general officer or equivalent
 - Prohibit approval of premium by subordinate
 - Identify specific levels to auth first class & business class
 - New requirements when using the 14 hour rule
 - New provisions when upgrade due to medical conditions
 - Medical travel may be authorized for TDY not relocation
 - Reiterate rule when only two classes on aircraft
 - New mission requirement provision



GAO Audit - Unused Tickets



- Objectives:
 - **Determine whether unused tickets ... refunded**
 - **Determine whether DOD's internal controls provide reasonable assurance that all unused tickets were identified and submitted for refund**



GAO Audit - Unused Tickets



- Findings
 - **57,946 unused & unclaimed tickets in 01 and 02 valued @ \$21.1M**
 - **81,000 partially used. The value is unknown**
 - **Controls lacking**
 - **DOD relies on travelers to turn-in unused paper tickets**
 - **No standard DOD process for identifying, monitoring, and ensuring recovery of all refunds of e-tickets**



GAO Audit - Unused Tickets



- Summary of GAO Recommendations:
 - **Evaluate the feasibility of using the IBA as the DOD procurement mechanism**
 - **Implement a procedure to systematically provide reasonable assurance that all unused tickets purchased on the CBA are refunded**
 - **Submit claims for the \$21M known unused tickets**
- DOD responses - Concurred to evaluate and or implement the recommendations



GAO Audits Continue



- Objective - Determine whether controls can detect duplicate payments
- Report Due Date - Mar 03
- Known Finding: Duplicate payments are being made by all Components



Summary

- **Program Update**
 - **Good Job reducing delinquencies**
 - **Good job achieving timeliness**
 - **Good job increasing the DOD rebates**
- **Audits**
 - **Need help in strengthen internal controls**
 - **Premium travel - JTR/JFTR is key**
 - **Unused tickets - New guidance will be forthcoming**
 - **Duplicate Payments - GAO report is pending**
- **Questions and Answers**